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**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NEW ROADS, LOUISIANA**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MARCH 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 03 1999

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NEW ROADS, LOUISIANA
(504) 638-6357**

GOVERNING BOARD

<u>NAME</u>	<u>REPRESENTING</u>
Roland Roberts, President	City of New Roads
Juliette Williams	Pointe Coupee Police Jury
Russell Polar	Pointe Coupee School Board
Irma R. Smith	Pointe Coupee Sheriff
Donald Fuseller	School of Hope
Linda Christophe	Episcopal Community Services
Eleanor Seibert	Pointe Coupee Chapter NAACP
John Olnde, Sr.	Immaculate Conception Church
Sylvester Muckelroy	Knights of Peter Claver
Walter Warr, Jr.	American Legion Post #560
Robert Britten	Batchelor, Lettsworth, Innis
Lizzie Washington	Morganza
Rose Hebert	New Roads
Milton Gaines, Jr.	Livonia
Joyce Domingue	Lakeland

EXECUTIVE DIRECTOR

Clinton H. Flint

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
 Basic Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	5
Statement of Activity and Changes in Fund Balances	6
 Notes to the Financial Statements -	
The Entity	7
Summary of Significant Accounting Policies -	7
Basis of Presentation	7
Fund Accounting	7
Description of Programs	7
Income Taxes	8
Donated Services and Facilities	8
Cash Deposits with Financial Institutions	9
Grant Funds Receivable	9
Interfund Receivables and Payables	9
Operating Lease Commitments	10
Compensated Absences	10
Contingencies	10
Departure from Generally Accepted Accounting Principles	11
 Additional Information -	
Current Unrestricted Funds -	
Balance Sheet	15
Schedule of Activity and Changes in Fund Balance	16
 Current Restricted Funds -	
Combining Balance Sheet	20
Schedule of Activity - Budget to Actual - Head Start Program	21
Schedule of Activity - Child and Adult Food School Lunches	22
Schedule of Activity - Home Energy Assistance	23
Schedule of Activity - Child and Adult Food Family Day Care	24
Schedule of Activity - Temporary Emergency Food Program	25
Schedule of Activity - Community Services Block Grant	26
Schedule of Activity - Emergency Food and Shelter	27
Schedule of Activity - Summer Child Care Program	28

	<u>Page</u>
Schedule of Per Diem and Other Compensation Paid to Members of the Board of Directors	29
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	33
Schedule of Federal Financial Assistance	35
Schedule of Findings and Questioned Costs	36
Summary Schedule of Prior Audit Findings	40
Corrective Action Plan	42
Data Collection Form	45

George F. Delaune

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(A Professional Corporation)

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pointe Coupee Community Advancement, Inc.

I have audited the accompanying balance sheet of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.**, (a Nonprofit Organization), as of March 31, 1999, and the related statements of activities for the year then ended. These financial statements are the responsibility of Pointe Coupee Community Advancement, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As explained in Note 12 to the financial statements, Pointe Coupee Community Advancement, Inc. has not yet adopted FASB Statement of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made" and No. 117 "Financial Statements of Not-for-Profit Organizations". Generally accepted accounting principles require accounting and reporting in accordance with the provisions of these statements. It was not practicable to determine the effects of not adopting these statements.

The basic financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets group is not known.

In my opinion, except for the effects of not adopting SFAS No. 116 and No. 117 and the omission described in the preceding paragraphs, the financial statements referred to above present fairly, in all material respects, the financial position of Pointe Coupee Community Advancement, Inc. as of March 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 9, 1999, on my consideration of Pointe Coupee Community Advancement, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the basic financial statements of Pointe Coupee Community Advancement, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and additional information listed in the table of contents are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

George F. Delaune, CPA

October 9, 1999

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BASIC FINANCIAL STATEMENTS

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 1999

	Current Funds		Long-term	Total
ASSETS	Unrestricted	Restricted	Obligations	All Funds
Cash	\$ 1,707	\$ 153,861		\$ 155,568
Grant funds receivable		59,011		59,011
Due from other funds		5		5
Property and equipment, net				
Amount to be provided to retire accrued leave			\$11,446	11,446
TOTAL ASSETS	\$ 1,707	\$ 212,877	\$ 11,446	\$ 226,030
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable		\$ 82,078		\$ 82,078
Accrued liabilities		11,665		11,665
Accrued employee annual leave			\$ 11,446	11,446
Due to other funds		5		5
Total Liabilities		93,748	11,446	105,194
Fund Equity:				
Fund balances -				
Restricted		119,129		119,129
Undesignated - available for general activities	\$ 1,707			1,707
Total Fund Equity	1,707	119,129		120,836
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,707	\$ 212,877	\$ 11,446	\$ 226,030

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 1999

	Current Funds		Total All Funds
	Unrestricted	Restricted	
REVENUES			
Grants and reimbursements		\$ 1,625,132	\$ 1,625,132
Commodities		40,169	40,169
Grantee contributions		217,433	217,433
Interest income		149	149
Forgiveness of obligation		11,843	11,843
Local governmental contributions	\$ 2,987		2,987
Miscellaneous	1,168		1,168
Total Revenues	<u>4,155</u>	<u>1,894,726</u>	<u>1,898,881</u>
EXPENSES			
Program Services -			
Head Start		896,888	896,888
Child & Adult Food - School Lunch Program		64,340	64,340
Home Energy Assistance		166,941	166,941
Child & Adult Food - Family Day Care		400,276	400,276
The Emergency Food Program - Needy Family		44,906	44,906
Community Services Block Grant		81,440	81,440
Emergency Food and Shelter		45	45
Summer Child Care		206,268	206,268
Total Program Services		<u>1,861,104</u>	<u>1,861,104</u>
Management and general	<u>2,516</u>		<u>2,516</u>
Total Expenses	<u>2,516</u>	<u>1,861,104</u>	<u>1,863,620</u>
EXCESS REVENUES (EXPENSES)	1,639	33,622	35,261
Fund Balance - Beginning	<u>68</u>	<u>85,507</u>	<u>85,575</u>
FUND BALANCE - ENDING	<u>\$ 1,707</u>	<u>\$ 119,129</u>	<u>\$ 120,836</u>

The accompany notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - THE ENTITY

Pointe Coupee Community Advancement, Inc. ("the Agency") was organized in 1965 as a non-profit corporation under the Nonprofit Corporation Law of Louisiana, Section 201(7) of Title 12 of the Louisiana Revised Statutes and is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The corporation is organized on a non-stock basis. It functions as a community action agency whose purpose is to improve the quality of life for low income, needy persons throughout the area with emphasis on providing educational, nutritional, health and social assistance to underprivileged children and nutritional and energy assistance to low income persons.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Pointe Coupee Community Advancement, Inc. have been prepared in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, *Audits of Not-for-Profit Organizations*. The financial statements have been prepared on an accrual basis of accounting.

Fund Accounting

To ensure observance of certain restrictions placed on the use of resources, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the nature and purpose of such funds. The assets, liabilities and fund balances are reported in the following self-balancing fund groups:

Current Unrestricted Funds represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Agency in accordance with its bylaws.

Current Restricted Funds represent all funds currently available for use, but expendable only for operating purposes specified by the grantor. Resources of this fund originate from federal and state grants.

Description of Programs

Head Start -- a federally funded program whose objectives are to provide comprehensive educational, nutritional, health and social services to economically disadvantaged preschool

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

children and their families and to involve parents in activities with their children so that the children will attain overall social competence. Parents also participate in various decision making processes related to operation of the program.

Child & Adult Food - School Lunch Program — this program provides financial reimbursement to the Head Start program for school lunches.

Home Energy Assistance — the objective of this program is to assist low-income persons in paying for energy and reduce the impact of rising energy costs on eligible participants.

Child & Adult Food - Family Day Care — this program provides financial reimbursement to the Head Start program for caretakers who provide free and reduced price meals to children of parents who work or are in school.

Temporary Emergency Food Program — distribution of food commodities donated by the federal government to those person meeting certain income and other eligibility criteria.

Community Services Block Grant — a federally-funded grant implemented to provide community-based programs that assist in ameliorating the causes and consequences of poverty.

Emergency Food and Shelter Program — the objective of this program is to provide food to needy people on an emergency basis.

Summer Child Care -- the objective of this program is to provide summer enrichment for children ages 2 thru 12 through classroom activities and field trips.

Income Taxes

Income taxes are not provided for in the financial statements since the Agency is exempt from federal and state income taxes under section 501(c)(4) of the Internal Revenue Code and similar state provisions. The Agency is not classified as a private foundation.

Donated Services and Facilities

As required by grant regulations, Head Start Grantees must provide, in the form of cash or in-kind contributions, an amount equal to 20% of the cost of the program. The value of donated services and facilities included in the financial statements is reported as both a revenue and expense. The value of donated services is based on the minimum wage rate in effect at the time, the value of donated facilities is based on current market rates for the area, less rent paid.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Regulations require that deposits of the Agency be insured by Federal depository insurance or collateralized by securities held in the name of the Agency by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 1999, the status of deposited funds and collateralized balances are as follows:

Demand accounts	\$ 160,693
Federal deposit insurance coverage	100,000
Pledged securities	<u>60,693</u>
Unsecured	<u><u>\$ 0</u></u>

NOTE 4 - GRANT FUNDS RECEIVABLE

At March 31, 1999, the Agency is due to receive funds as follows:

U.S. Department of Health & Human Services - Head Start	\$ 12,527
U.S. Department of Agriculture - Child & Adult Food School Lunches	15,383
Louisiana Department of Education - Child & Adult Food Family Day Care	<u>31,101</u>
Total	<u><u>\$ 59,011</u></u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 1999, interfund receivables and payables were comprised of the following:

	Receivables	Payables
Restricted Funds:		
Head Start -		
Emergency Food and Shelter		\$ 5
Emergency Food and Shelter -		
Head Start	\$ 5	
Total Restricted Funds	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 - OPERATING LEASE COMMITMENTS

The Agency is engaged in a leasing agreement with Livonia Lodge #220 for the lease of office space located at 128 Poydras Street which houses the Head Start offices. On June 18, 1996, the lease was extended for another three year term with monthly payments of \$400.00. Rent expense is recorded for the current year in the amount of \$4,800. Future minimum lease payments over the lease term are as follows:

<u>Fiscal Year</u>	<u>Annual Payment</u>
3/31/2000	<u>\$ 1,200</u>

NOTE 7 - COMPENSATED ABSENCES

The Agency has adopted the following policy on compensated absences:

After 1 year of service	5 vacation days and 5 sick days
After 2 years of service	10 vacation days and 10 sick days
After 6 years of service	15 vacation days and 15 sick days
After 10 years of service	20 vacation days and 20 sick days

Employees of the Agency are entitled to paid vacation and sick days, depending on length of service. Payment for unused vacation leave time shall be made upon the discharge, resignation, removal of employee due to reduction in force, or retirement or death of employee. The rate of payment will be an hourly rate which is an average of the three highest years of employment. A maximum of 300 hours may be paid. No unused sick leave shall be paid upon termination.

Accrued vacation pay for the fiscal year ending March 31, 1999, in the amount of \$11,446 is recorded as a long-term liability.

NOTE 8 - CONTINGENCIES

The Agency receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State for expenditures disallowed under the terms and conditions of the appropriate agency.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 - DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

In June 1993, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made", which standardizes the accounting for contributions for all entities and generally requires measuring contributions received and promises to give at their fair value and reporting them as an increase in net assets immediately, even if the donor has restricted their use and the restriction will be met in a future reporting period; and No. 117 "Financial Statements of Not-for-Profit Organizations" which establishes standards for external financial statements and requires statements of financial position, activities, cash flows, and for Voluntary health and welfare organizations, a statement of functional expenses. Both statements are effective for fiscal years beginning after December 15, 1994, with a one year delay for organizations that have less than \$5 million in total assets and \$1 million in annual expenses. The Board of Pointe Coupee Community Advancement, Inc. did not adopt these statements.

ADDITIONAL INFORMATION

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CURRENT UNRESTRICTED FUNDS

The "Local Administration Fund" is the general operating fund of the Agency. It is used to account for all financial resources over which the Board of Directors has discretionary control and is used to carry out the operations of the Agency in accordance with its bylaws.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
BALANCE SHEET - UNRESTRICTED FUNDS
MARCH 31, 1999

	ASSETS	<u>Local Administration</u>
Cash		\$ 1,707
Due from other funds		
TOTAL ASSETS		<u>\$ 1,707</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable		
Total Liabilities		
Fund Equity:		
Fund Balance -		
Unreserved - undesignated		<u>\$ 1,707</u>
Total Fund Equity		<u>1,707</u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$ 1,707</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
UNRESTRICTED FUND
YEAR ENDED MARCH 31, 1999

	<u>Local Administration</u>
REVENUES	
Local governmental contributions	\$ 2,987
Miscellaneous	<u>1,168</u>
Total Revenues	<u>4,155</u>
EXPENSES	
Travel	395
Rent	375
Maintenance and supplies	1,632
Other costs	<u>114</u>
Total Expenses	<u>2,516</u>
EXCESS REVENUES (EXPENSES)	1,639
Fund Balance - Beginning of Year	<u>68</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,707</u></u>

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CURRENT RESTRICTED FUNDS

Current restricted funds are used to account for all funds currently available for uses, but expendable only operating purposes specified by the grantor. Restricted funds of the Agency are as follows:

- Head Start
- Child and Adult Food Program - School Lunch Program
- Home Energy Assistance
- Child and Adult Food Program - Family Day Care Homes
- Temporary Emergency Food Program
- Community Services Block Grant
- Emergency Food and Shelter
- Summer Child Care

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POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
COMBINING BALANCE SHEET
MARCH 31, 1999

ASSETS	Head Start	Child and Adult Food School Lunches	Home Energy Assistance	Child and Adult Food Family Day Care	Temporary Emergency Food Program	Community Services Block Grant	Emergency Food and Shelter	Summer Child Care	Totals
Cash	\$ 35,057	\$ 10,785	\$ 289	\$ 10,753	\$ 12,844	\$ 2,683	\$ 4,271	\$ 77,179	\$ 153,861
Grant funds receivable	12,527	15,383		31,101					59,011
Due from other funds							5		5
TOTAL ASSETS	\$ 47,584	\$ 26,168	\$ 289	\$ 41,854	\$ 12,844	\$ 2,683	\$ 4,276	\$ 77,179	\$ 212,877

LIABILITIES AND FUND EQUITY

Liabilities:									
Accounts payable	\$ 24,588	\$ 26,463		\$ 193				\$ 1,275	\$ 52,519
Accounts payable - providers				29,559					29,559
Accrued payroll liabilities	10,316			1,349					11,665
Due to other funds	5								5
Total Liabilities	34,909	26,463		31,101				1,275	93,748
Fund Equity:									
Fund balance - restricted	12,675	(295)	289	10,753	12,844	2,683	4,276	75,904	119,129
TOTAL LIABILITIES AND FUND EQUITY	\$ 47,584	\$ 26,168	\$ 289	\$ 41,854	\$ 12,844	\$ 2,683	\$ 4,276	\$ 77,179	\$ 212,877

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY - BUDGET TO ACTUAL
HEAD START PROGRAM
YEAR ENDED MARCH 31, 1999

	Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES			
Grant revenues	\$ 688,145	\$ 688,884	\$ 739
Grantees contribution	172,268	217,433	45,165
Unobligated fund balance	927		(927)
Interest income		149	149
Total Revenues	861,340	906,466	45,126
EXPENSES			
<i>Direct Costs -</i>			
Personnel	442,176	434,769	7,407
Fringe benefits	90,078	71,322	18,756
Occupancy	28,800	37,372	(8,572)
Child travel	41,400	33,171	8,229
Staff travel	4,500	2,046	2,454
Nutrition and food	9,421	13,416	(3,995)
Furniture and equipment		6,969	(6,969)
Supplies	34,454	23,981	10,473
Other child services	18,155	21,474	(3,319)
Other parent services	1,500	61	1,439
Other	18,588	34,874	(16,286)
Total Direct Costs	689,072	679,455	9,617
<i>In-Kind Contributions -</i>			
Personnel	91,519	136,684	(45,165)
Rent	78,827	78,827	
Transportation	1,922	1,922	
Total In-Kind Contributions	172,268	217,433	(45,165)
Total Expenses	861,340	896,888	(35,548)
EXCESSS REVENUES (EXPENSES)		\$ 9,578	\$ 9,578

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
CHILD AND ADULT FOOD SCHOOL LUNCHES
YEAR ENDED MARCH 31, 1999

REVENUE

U.S. Department of Agriculture	\$ 62,967
Foregiveness of Obligation	<u>11,843</u>
Total Revenues	<u>74,810</u>

EXPENSES

Maintenance and repair	1,008
Travel	362
Food	<u>62,970</u>
Total Expenses	<u>64,340</u>

EXCESS REVENUES (EXPENSES)

\$ 10,470

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
HOME ENERGY ASSISTANCE
PROGRAM YEARS 1998 AND 1999

	Program Year 1998			Program Year 1999
	1-1-98 to 3-31-98	4-1-98 to 12-31-98	Total	1-1-99 to 3-31-99
REVENUES				
Office of Community Services		\$ 167,763	\$ 167,763	
Total Revenues		167,763	167,763	
EXPENSES				
Salaries	\$ 650	5,750	6,400	
Fringe benefits	97	402	499	
Travel		120	120	
Supplies				\$ 17
Notices		420	420	
Energy assistance		160,232	160,232	
Total Expenses	747	166,924	167,671	17
EXCESS REVENUES (EXPENSES)	<u>\$ (747)</u>	<u>\$ 839</u>	<u>\$ 92</u>	<u>\$ (17)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
CHILD AND ADULT FOOD FAMILY DAY CARE
PROGRAM YEARS 1998 AND 1999

	Program Year 1998			Program Year 1999
	10-1-97 to 3-31-98	4-1-98 to 9-30-98	Total	10-1-98 to 3-31-99
REVENUES				
Department of Education	\$ 176,066	\$ 209,269	\$ 385,335	\$ 199,524
Total Revenues	176,066	209,269	385,335	199,524
EXPENSES				
Salaries	27,961	31,675	59,636	31,949
Fringe benefits	8,902	6,098	15,000	5,229
Travel and conferences	2,097	2,550	4,647	1,881
Administrative	289	2,106	2,395	2,116
Provider payments	133,798	165,136	298,934	151,298
Reimbursement on disallowed meals	782	238	1,020	
Total Expenses	173,829	207,803	381,632	192,473
EXCESS REVENUES (EXPENSES)	<u>\$ 2,237</u>	<u>\$ 1,466</u>	<u>\$ 3,703</u>	<u>\$ 7,051</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
TEMPORARY EMERGENCY FOOD PROGRAM
FOR PROGRAM YEARS 1998 AND 1999

	Program Year 1998			Program Year 1999
	10-1-97 to 3-31-98	4-1-98 to 9-30-98	Total	10-1-98 to 3-31-99
REVENUES				
Emergency Food and Shelter Board	\$ 12,164		\$ 12,164	\$ 12,245
Total Revenues	12,164		12,164	12,245
EXPENSES				
Supplies	32	45	77	
Travel	14		14	
Miscellaneous	122		122	
Communities distributed	11,910		11,910	
Total Expenses	12,078	45	12,123	
EXCESS REVENUES (EXPENSES)	<u>\$ 86</u>	<u>\$ (45)</u>	<u>\$ 41</u>	<u>\$ 12,245</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
COMMUNITY SERVICES BLOCK GRANT
PROGRAM YEARS 1998 AND 1999

	Program Year 1998			Program Year 1999
	1-1-98 to 3-31-98	4-1-98 to 12-31-98	Total	1-1-99 to 3-31-99
REVENUE				
Office of Community Services	\$ 16,500	\$ 48,790	\$ 78,897	\$ 21,000
Total Revenues	<u>16,500</u>	<u>48,790</u>	<u>78,897</u>	<u>21,000</u>
EXPENSES				
Salaries	11,627	47,299	58,926	14,868
Fringe benefits	4,485	9,438	13,923	3,336
Audit		500	500	
Insurance		44	44	533
Supplies	293	1,139	1,432	585
Telephone	524	1,406	1,930	0
Rent	75	675	750	225
Commodity food and nutrition		1,392	1,392	
Total Expenses	<u>17,004</u>	<u>61,893</u>	<u>78,897</u>	<u>19,547</u>
EXCESS REVENUES (EXPENSES)	<u>\$ (504)</u>	<u>\$ (13,103)</u>	<u>\$ 0</u>	<u>\$ 1,453</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
EMERGENCY FOOD AND SHELTER
FOR PROGRAM YEARS 1998 AND 1999

	Program Year 1998			Program Year 1999
	10-1-97 to 3-31-98	4-1-98 to 9-30-98	Total	10-1-98 to 3-31-99
REVENUE				
U.S. Department of Agriculture	\$ 3,793	\$ 4,323	\$ 8,116	\$ 4,400
U.S. Department of Agriculture - commodities	20,345	14,888	35,233	25,281
Total Revenues	<u>24,138</u>	<u>19,211</u>	<u>43,349</u>	<u>29,681</u>
EXPENSES				
Commodities distributed	20,345	14,888	35,233	25,281
Professional fees	1,065	382	1,447	720
Travel	275	547	822	305
Maintenance and supplies	2,233	407	2,640	1,013
Rent	350	125	475	200
Administrative	2,297	696	2,993	342
Total Expenses	<u>26,565</u>	<u>17,045</u>	<u>43,610</u>	<u>27,861</u>
EXCESS REVENUES (EXPENSES)	<u>\$ (2,427)</u>	<u>\$ 2,166</u>	<u>\$ (261)</u>	<u>\$ 1,820</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF ACTIVITY
SUMMER CHILD CARE PROGRAM
YEAR ENDED MARCH 31, 1999

REVENUE	
U.S. Department of Education	\$ 205,967
Total Revenues	<u>205,967</u>
EXPENSES	
Salaries	142,488
Benefits	18,190
Travel	4,479
Insurance	697
Supplies	11,615
Maintenance and repairs	893
Telephone	259
Miscellaneous	93
Rent	2,550
Food	10,868
Field trips	14,136
Total Expenses	<u>206,268</u>
EXCESS REVENUES (EXPENSES)	<u>\$ (301)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF PER DIEM AND OTHER COMPENSATION
PAID TO MEMBERS OF THE BOARD OF DIRECTORS
YEAR ENDED MARCH 31, 1999

Roland J. Roberts	\$	0
Juliette Williams		0
Russell Polar		0
Irma R. Smith		0
Donald Fuselier		0
Linda Christophe		0
Eleanor Seibert		0
John Olinde, Sr.		0
Sylvester Muckelroy		0
Walter Warr, Jr.		0
Robert Britten		0
Lizzie Washington		0
Rose Hebert		0
Milton Gaines, Jr.		0
Joyce Domingue		0
		<hr style="border-top: 1px solid black;"/>
	\$	<hr style="border-top: 1px solid black;"/> <u>0</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) as of and for the year ended March 31, 1999, and have issued my report thereon dated October 9, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pointe Coupee Community Advancement, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Pointe Coupee Community Advancement, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could

adversely affect Pointe Coupee Community Advancement, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, and 99-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 99-1 to be material weaknesses.

This report is intended for the information of the board of directors, management, federal and state awarding agencies, and the Legislative Auditor for the State of Louisiana. However this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

October 9, 1999

George F. Delaune

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

Compliance

I have audited the compliance of **POINTE COUPEE COMMUNITY ADVANCEMENT, INC.** (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 1999. Pointe Coupee Community Advancement, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pointe Coupee Community Advancement, Inc.'s management. My responsibility is to express an opinion on Pointe Coupee Community Advancement, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pointe Coupee Community Advancement, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Pointe Coupee Community Advancement, Inc.'s compliance with those requirements.

In my opinion, Pointe Coupee Community Advancement, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 1999. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 99-4.

Internal Control Over Compliance

The management of Pointe Coupee Community Advancement, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Pointe Coupee Community Advancement, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect Pointe Coupee Community Advancement, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the board of directors, management, federal and state awarding agencies, and the Legislative Auditor for the State of Louisiana. However this report is a matter of public record, and its distribution is not limited.

George F. Delaune, CPA

October 9, 1999

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED MARCH 31, 1999**

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
<i>U.S. Department of Health & Human Services</i>			
Direct Program			
Headstart	*	93.600	\$ 679,455
LA Department of Labor			
Community Services Block Grant	93.569	9xN0003	81,440
LA Department of Social Services			
Home Energy Assistance	93.568	04559/370-3180	166,941
<i>U.S. Department of Agriculture</i>			
LA Department of Education			
Child and Adult Care Food Program - Family Day Care	*	10.558	400,276
Emergency Food Assistance Program	10.550	N/A	44,906
Child & Adult Care Food Program - School Lunches	10.557	N/A	64,340
Summer Child Care	N/A	CFMS519971	206,268
<i>Federal Emergency Management Agency</i>			
Direct Program			
Emergency Food & Shelter Program	83.523	N/A	45
Total Federal Awards			<u>\$ 1,643,671</u>

* Major Programs

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Agency's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At March 31, 1999, the agency had food commodities totaling \$40,169.

NOTE C – HEADSTART

In accordance with terms of the grant, the Agency has documented matching in-kind contributions totaling \$217,433 during the year ended March 31, 1999.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of Pointe Coupee Community Advancement, Inc.
2. Three reportable conditions disclosed during the audit of the basic financial statements are reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. One instance of noncompliance material to the basic financial statements of Pointe Coupee Community Advancement, Inc. were disclosed during the audit.
4. One reportable condition disclosed during the audit of the major federal award programs is reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*. This condition is not reported as a material weakness.
5. The auditor's report on compliance for the major federal award programs for Pointe Coupee Community Advancement, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Pointe Coupee Community Advancement, Inc. are reported in Part C. of this Schedule.
7. The programs tested as major programs included:
 - a. Head Start -- CFDA No. 93.600
 - b. Child and Adult Care Food Program - Family Day Care — CFDA No. 10.558
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Pointe Coupee Community Advancement, Inc. was determined not to be a low-risk auditee.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1999

B. FINDINGS — FINANCIAL STATEMENTS AUDIT

Reportable Condition - Material Weakness

99-1 Computerized Accounting Not Up-to-Date

Condition: The accounting system maintained by the Finance Director covering all programs except Head Start was converted to QuickBooks after the last audit. In preparation for the start of the current audit, I found that since September 1998, the Finance Director had not kept up the computerized accounting and had reverted back to the manual set of books. Consequently, the transactions had to be computerized during the month of June 1999 before I could begin the audit. The processing was completed up to the end of May 1999. An inspection of the system on October 9, 1999, found that no transactions have been posted since May 31, 1999.

Criteria: The agency and the Finance Director made a commitment to convert to the computerized system after the prior year audit finding of inaccuracies in the manual system.

Effect: Failure of the agency and Finance Director to comply with the Corrective Action Plan.

Cause: Although, I had documented 24 hours of training, the Finance Director claimed that training was insufficient.

Recommendation: Computerization of accounting records is essential to comply with state law and the various grant awards. If the Finance Director is incapable of learning the QuickBooks system, I recommend having someone else perform these duties. And if necessary, I will offer my services to review the accounting on a quarterly basis at my regular hourly rates of \$60 per hour.

Response: The Finance Committee will discuss the duties with the Finance Director and a decision should be made by October 31, 1999.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1999

Reportable Condition

99-2 Indirect Cost Principles Not Being Applied to Programs

Condition: As reported in the prior audit, administrative and general expenses are being paid on a random basis by several program.

Criteria: Federal regulations require that all administrative and general expenses that affect all funding sources be allocated in accordance with an approved indirect cost formula.

Effect: Program costs per financial statements are inaccurate.

Cause: Management has not made any attempt to correct this finding.

Recommendation: Management should develop an indirect cost formula and submit it to the Louisiana Department of Education for approval. After approval all administrative and general expenses should be accounted for in the Local Administration fund and charged to program services based upon the approved formula.

Response: Management concurred with the finding and requested that I make the necessary calculations to submit an indirect cost rate to the Louisiana Department of Education for approval.

Reportable Condition

99-3 Audit Not Completed in Accordance with LSA-R.S. 24:513

Condition and Criteria: In accordance with LSA-R.S. 24:513, the Agency's audit should be completed and submitted to the Legislative Auditor within six months of the close of the Agency's fiscal year (September 30, 1999).

Effect: A violation of state law.

Cause: Because of delay due to incomplete accounting records as mentioned in finding 99-1 and complications with other state audits, I was not able to complete this audit by September 30, 1999.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1999

Recommendation: The Agency has a unique situation in that its fiscal year ends on March 31st which coincides with the Head Start Program which runs from April 1st to March 31st. Thus, the Head Start Program Year must budget the last two months of one year in with a new school year. I have discussed changing the Head Start Program Year to cover July 1st to June 30th. Once this is approved by the U.S. Department of Health and Human Services, I would recommend changing the Agency's fiscal year to June 30th which will allow for a more efficient scheduling of the audit.

Response: Management concurs with the recommendation and has instructed me to contact the U.S. Department of Health and Human Services for approval of the change and to assist the Head Start Director in making the necessary funding applications. I have also been instructed to prepare and file all documents needed to change the fiscal year end from March 31st to June 30th.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Health & Human Services

99-4 Head Start Program -- CFDA No. 93.600

Reportable Condition: The program audit was not monitored adequately during the year. Although total actual expenditures did not exceed the total budget, the majority of line items showed considerable variance with the budget. Also, acquisitions of equipment was not in the original budget.

Recommendation: The Head Start Director should adopt a procedure that would require a complete review of the general ledger and revisions to the budget on a quarterly basis with submission to the U.S. Department of Health and Human Services.

Response: Management concurred with the recommendation and has instructed the Head Start Director to adopt the procedures.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 1999**

FINDING 98-1: General Ledgers Out-of-Balance

Current Status: This condition is referenced as item 99-1 in the current findings. It was not resolved.

FINDING 98-2: In-Kind Services Not Recorded in Accounting System

Current Status: This condition was resolved.

FINDING 98-3: Indirect Cost Principles Not Being Applied to Programs

Current Status: This condition is referenced as item 99-2 in the current findings. It has not been resolved.

FINDING 98-4: Audit Not Completed in Accordance with LSA-R.S. 24:513

Current Status: The condition that created last years problem was addressed during July and August 1998. However, as discussed in Finding 99-1, the financial statements and records were not ready for audit which created delays in scheduling the audit.

FINDING 98-5: Head Start Program Over Spending

Current Status: The Agency received no response from U.S. Department of Health and Human Services; consequently, the overspending was absorbed in the current year's program.

FINDING 98-6: Child and Adult Care Food Program -- School Lunches Overspending

Current Status: Management was unable to reduce the cost of meals being charged by the Pointe Coupee Parish School Board in the current year; therefore, as a cost cutting measure, all volunteers were asked to pay for their meals and other reductions were made in line items to balance the current year's budget.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 1999**

Since the Agency received no response from Head Start, the amount owed Head Start by the Lunch Program was forgiven and accounted for in the current year's Schedule of Activity.



638-6356

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NEW ROADS, LA. 70760

638-6357

CORRECTIVE ACTION PLAN

October 11, 1999

Legislative Auditor
State of Louisiana

Pointe Coupee Community Advancement, Inc. respectfully submits the following corrective action plan for the year ended March 31, 1999.

Name and address of independent public accounting firm: George F. Delaune, CPA; 7663 Anchor Drive; Ventress, LA 70783-4120.

Audit period: April 1, 1998 to March 31, 1999

The findings from the March 31, 1999, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS — FINANCIAL STATEMENTS AUDIT

Reportable Condition - Material Weakness

99-1 Computerized Accounting Not Up-to-Date

Recommendation: Computerization of accounting records is essential to comply with state law and the various grant awards. If the Finance Director is incapable of learning the QuickBooks system, I recommend having someone else perform these duties. And if necessary, I will offer my services to review the accounting on a quarterly basis at my regular hourly rates of \$60 per hour.

Action Taken: The Finance Committee will discuss the duties with the Finance Director and will make a decision by October 31, 1999.

Reportable Condition

99-2 Indirect Cost Principles Not Being Applied to Programs

Recommendation: Management should develop an indirect cost formula and submit it to the Louisiana Department of Education for approval. After approval all administrative and general expenses should be accounted for in the Local Administration fund and charged to program services based upon the approved formula.

Action Taken: We have instructed the auditor to make the necessary calculations and submit an indirect cost rate to the Louisiana Department of Education for approval.

Reportable Condition

99-3 Audit Not Completed in Accordance with LSA-R.S. 24:513

Recommendation: The Agency has a unique situation in that its fiscal year ends on March 31st which coincides with the Head Start Program which runs from April 1st to March 31st. Thus, the Head Start Program Year must budget the last two months of one year in with a new school year. I have discussed changing the Head Start Program Year to cover July 1st to June 30th. Once this is approved by the U.S. Department of Health and Human Services, I would recommend changing the Agency's fiscal year to June 30th which will allow for a more efficient scheduling of the audit.

Action Taken: We have instructed the auditor to (1) contact the U.S. Department of Health and Human Services for approval of the change and to assist the Head Start Director in making the necessary funding applications and (2) to prepare and file all documents needed to change the fiscal year end from March 31st to June 30th.

C. FINDINGS AND QUESTIONED COSTS — MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Health & Human Services

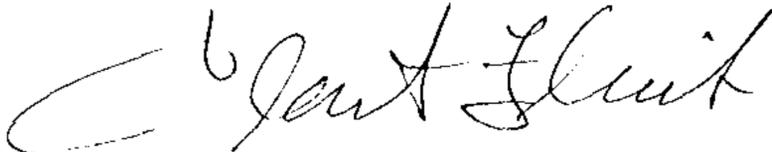
99-4 Head Start Program -- CFDA No. 93.600

Recommendation: The Head Start Director should adopt a procedure that would require a complete review of the general ledger and revisions to the budget on a quarterly basis with submission to the U.S. Department of Health and Human Services.

Action Taken: Management concurred with the recommendation and has instructed the Head Start Director to adopt the procedures.

If the Legislative Auditor has questions regarding this plan, please call Clint Flint, Executive Director at (225) 638-6356.

Sincerely yours,

A handwritten signature in cursive script that reads "Clint Flint". The signature is written in black ink and is positioned above the printed name.

Clint Flint, Executive Director